



REDUCING STAFF TURNOVER

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I once managed a law firm which had a 67% staff turnover rate when I arrived. Even back then, highly qualified staff were difficult to find. The turnover was costing the firm dearly in terms of direct cost and lost productivity. The firm itself was a high-production, unusually stressful environment. When the chaotic state of the firm's staffing was added to that mix, the trickle-down effect created tremendous attorney dissatisfaction, and thus the firm suffered increased turnover in the professional ranks as well. Morale was poor throughout the firm.

Because I view people as one of a firm's most important assets, my first priority was to improve this area of operations. My mission was to identify the best staff, weed out those who weren't, and stem the tide of turnover as quickly as possible. I knew if I could achieve my objectives, the morale issues would begin to take care of themselves.

Within two years the turnover rate was reduced to 17%, and within another year it was down to 4%, which was below the industry average —about 6%— at that time. What “magic” did I perform? Did I give out huge raises? Additional benefits? Nope. Not at all. And there was no magic about it; just good basic management.

Unfortunately, many firms experience growth in numbers without growing equally on the management side. As a result they suffer from a number of ailments which, when taken as a whole, create “staff turnover syndrome”. Management areas which fail to develop as the firm grows typically include:

- Inadequate training for staff on technology and procedures;
- No orientation program for new hires;
- Unfair application of existing benefits, e.g. favoritism;
- No mechanism for staff to express concerns and complaints, or even to make suggestions on improvements;
- No teamwork, e.g. everyone works for their own attorneys instead of the firm — behavior often created by the “ownership” mentality of the attorneys;

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- Inadequate backup assistance for employees temporarily overwhelmed with work, or who need time off for sick, personal, or vacation requests; and
- Unfair compensation schemes which are ego-based and reward “who” one works for instead of the value of work performed, or which reward poor performers as equally as superstars.

Most of the issues mentioned can be resolved without raising payroll costs. But first and foremost, the compensation system must be fair. It's easy to determine if it is. Create a spreadsheet showing each employee, years of tenure with the firm, total years of legal experience, educational degrees, and salary. Sort by years of experience. There should be an apparent pattern, with exceptions explainable by factors such as education, or a particularly difficult assignment. But if there is no pattern at all, or the exceptions are way beyond reason, it's time to start tweaking the compensation system going forward, and probably make an adjustment here or there.

Benefits should be consistently applied. The easiest way to make staff comfortable that there is no favoritism is to have a staff handbook which sets forth the policies of the firm, and then follow it consistently. Although some firms are reluctant to “put it in writing”, a handbook, if properly written, will almost always inure to the benefit of the firm. And that doesn't mean it can't be “warm and fuzzy” and at the same time contain language which clearly protects the firm.

Training and orientation programs are highly beneficial for the firm. Improperly trained new employees will pull down the productivity of all around them. This can reduce morale, as already overworked people must “cover” for the new person.

By using existing staff as “buddies” for new staff, and also involving other “key” personnel (such as bookkeeper, receptionist and so forth) a pretty decent training and orientation program can be put together on a shoestring budget.

I always rewarded the staff member who agreed to serve as buddy with the ability to “treat” the new hire to lunch, (and invite along one additional staff member), at the firm's expense, for the first day. After all, being a buddy required extra time and effort from a staff member who already had a full plate of work. As a result, buddies were always willing to serve. A buddy received a checklist of items which had to be covered, so I knew training and orientation would be consistent each time.

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Training on technology is essential. You can't just throw someone at the computer anymore. Even if they know Word and that's what you use, they still don't know your directory structure, printers, and so forth. And if they know Word, that doesn't mean they've ever had professional training. So they might not perhaps have a mastery of the features you use a lot at your firm, or that speed production of documents. If you don't have anyone strong enough in-house to determine their relative skill level and fill them in on what they're missing, use an outside consultant or trainer. The dollars you spend will be repaid in reduced errors and increased productivity, not to mention lower turnover.

Building teamwork is not easy. The vision of "we're one firm" must come from above. There must be a consistent message delivered that the secretary is not "your" secretary, but the "firm's" secretary. You may not be aware of the message you or your partners are delivering, and how possessive of this resource you or they may be. That possessiveness is counter-productive when you try to develop a team environment. Without it, you will lose otherwise good people when they feel overwhelmed and get no support from their peers. It will make them resentful, and damage interpersonal relationships. They will eventually seek out a more supportive environment.

Finally, regular staff meetings, and a practice of "management by walking around", goes far in enabling staff to "vent" and feel that management cares about their problems and insights. It also helps head off problems before they become large and unmanageable.

Developing a training and orientation program, applying rules and benefits consistently and fairly, building teamwork, and providing employees with opportunities to communicate concerns are simple management practices which cost very little to develop and use. When these practices are employed, they can have a tremendous positive impact on the firm's employee retention, on lawyer productivity, and ultimately on the firm's bottom line.

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